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Agricultural Marketing Service

Poultry Programs

Market News Branch

Lunchtime Meal Scheme Smashes Egg Prices

In India, the Tamil Nadu Government decision to replace eggs with potatoes in the noon meal scheme has affected the egg industry badly. Since the State decided to stop providing eggs in the mid-day meals for school children from November last year, egg prices have crashed.

Earlier, Tamil Nadu had been buying 7.5 million eggs per week, which had helped stabilize prices. Of the 10 million eggs being produced in Namakkal daily, 10% were consumed by the meal scheme. The Government decided to discontinue providing eggs in the scheme on the grounds that the contractors had supplied "rotten" eggs.

As a result of the Tamil Nadu Government's decision, these eggs are now finding their way into the open market and have depressed prices, wiping out the entire margin of profit to farmers, according to the National Egg Co-ordination Committee (NECC). Tamil Nadu is one of the largest egg producing States in the country. Poultry industry circles consider that, unless the Tamil Nadu Government reintroduces eggs in midday meals, the future of hundreds of thousands of farmers is at stake.

Additionally, the industry is faced with spiralling feed costs and unremunerative prices. This fall is despite the industry's efforts to prop up prices through measures such as culling of layer birds and curtailing production. At present, the market for eggs is saturated, and the additional supply has only worsened the scenario. Also affected are the related activities such as feed production and transport operations.

India produces 37,000 million eggs. Its poultry industry contributes Rs 120,000 million to the GNP and provides employment to over 1.6 million people.

Source: International Egg Commission

Mexico – Raw Imports

On May 31, 2002, The Food Safety and Inspection released additional statements and conditions needed to export product to Mexico. The following statements must be typed in the "Remarks" section of FSIS Form 9060-5 for all poultry and products containing poultry: *"The United States is free of velogenic Newcastle disease."*

If the following are met: 1) results of avian influenza testing are negative for 35 individual samples from a given farm lot (defined as all birds being processed (slaughtered) from a given farm whether this involves one house or multiple houses on that farm), 2) date of sample collection (as shown on the results) is within 15 days of slaughter for chickens and within 21 days of day of slaughter for turkeys (day of sampling should be considered as day 0), 3) avian influenza testing is by the "agar gel precipitin" method, 4) the producing establishment provides information that the shipment contains only poultry covered by the avian influenza test results presented, then the following statement should be entered in the

"Remarks" section of FSIS 9060-5: *"The meat originates from flocks on farms from which 35 blood samples have been taken and tested for avian influenza using the agar gel precipitin test with negative results on _____ (date). During slaughter and processing, this meat was not mixed with birds or meat which had not met the foregoing requirements."*

Sanitation certification of trucks or containers transporting fresh/frozen, ready-to-cook poultry (for retail sale) requires that trucks and plastic containers must be clean and disinfected. A company letterhead certification stating that *"Trucks and plastic containers have been cleaned and disinfected"* must accompany the export certificate. Mexican authorities will perform visual inspection to assure that containers carrying the product are new and/or clean. Mexican authorities may document violations.

Raw poultry destined for cooking in Mexico - The avian influenza testing statement above is not required if the raw product is being shipped to one of the Mexican establishments designated by Mexican authorities for cooking. Exporters are advised to determine, if the destination establishment is approved for cooking by Mexican authorities.

All raw poultry - Effective June 6, 2002, product arriving in Mexico must have the following additional statement typed in the "Remarks" section of FSIS Form 9060-5 or provided on an FSIS letterhead certificate: *"USDA certifies that this shipment is free to move in all commerce and trade in the United States"*.

Meat or poultry exported to Mexico for further processing and subsequently exported to Japan must obtain FSIS Form 9060-5, Meat and Poultry Export Certificate of Wholesomeness. Upon the request of the exporter, the following information must be provided either in the "Remarks" section of FSIS Form 9060-5 or on an FSIS letterhead certificate (which is signed by the same FSIS veterinarian signing the export certificate). For all products - statements for products intended for re-export to Japan: *"The meat and/or meat products described herein were processed under sanitary conditions in accordance with laws and regulations of the United States. The laws and regulations of the United States have been deemed to be equivalent to the inspection laws of Japan."* For poultry only, also include the following statement: *"There have been no outbreaks of fowl pest (fowl plague) for at least 90 days in the United States. Further, in the area where birds for export (meat) were produced (such an area being within a minimum radius of 50 kilometers from the production farm), Newcastle disease, fowl cholera, and other serious infectious fowl diseases, as recognized by the United States, have not occurred for at least 90 days."*

Poultry is restricted for export to Japan from certain States for specific periods. Certification must be provided that poultry did not originate from or transit through these States during the restricted periods relative to each affected State. For more information see www.fsis.usda.gov/OFO/export/mexico.htm
Source: FSIS Export Library

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 25, 2002

Year-To-Date

	2002	2001 /1	2002	2001
Liquid	301	132	7,323	4,723
Frozen	0	0	0	40
Dried	41	0	90	22
Total	342	132	7,413	4,785

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 25, 2002

Year-To-Date

	2002	2001/1	2002	2001
Liquid	150	165	2,119	2,014
Frozen	82	21	1,428	601
Dried	122	14	1,667	240
Total	354	200	5,214	2,855

Inspected Shell Eggs**U.S Exports To Canada, in 30-Dozen Cases (Preliminary)**

Week Ending May 25, 2002

Year-To-Date

	2002	2001 /1	2002	2001
Jumbo	0	0	1,078	87
Extra Large	1,096	2,198	9,194	17,079
Large	4,524	4,157	39,051	46,823
Medium	600	1,560	19,233	18,378
Ungraded	9,360	10,416	119,880	116,420
Misc	0	3,360	11,134	33,138
Total	15,580	21,691	199,570	231,925

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 25-May-02
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,809	1,422	3,231
LAST WEEK	1,846	1,280	3,126
SAME WEEK YR AGO	1,595	1,568	3,163
TO-DATE/2002	38,696	27,658	66,354
TO-DATE/2001	38,031	28,304	66,335

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	140	0	140
LAST WEEK	332	4	336
SAME WEEK YR AGO	210	0	210
TO-DATE/2002	6,640	28	6,668
TO-DATE/2001	10,362	148	10,510

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,949	1,422	3,371
LAST WEEK	2,178	1,284	3,462
SAME WEEK YR AGO	1,805	1,568	3,373
TO-DATE/2002	45,336	27,686	73,022
TO-DATE/2001	48,393	28,452	76,845

SOURCE: USDA/AMS PLTRY PROGRAMS, MRKT NEWS BR.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN 31-MAY-2002
 — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

— PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	10.00-13.00	102,000	-
WTD AVERAGE		11.40		
15-20%				
RANGE	15.50	9.00-12.00	2,113,600	604,000
WTD AVERAGE	15.50	10.49		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

CHICKEN 31-MAY-2002
 — PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

— PRICES — VOLUME —
 (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	11.00-15.00	13.00-13.50	1,098,000	478,000
WTD AVERAGE	14.29	13.33		
15-20%				
RANGE	9.00-12.00	10.00-14.00	958,000	-
WTD AVERAGE	11.17	11.93		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 31 MAY 2002.

Trade sentiment on fresh tom breast meat was steady to firm with trading noted on spot loads for prompt shipments at higher trending price levels. Some increased interest was noted on wing meat, however, some note frozen offers as readily available. Some increased market activity was noted on unground breast trim at barely steady price levels. Scapula traded at about steady price levels. The market tone on tom drums and full-cut wings was becoming increasingly unsettled with some noting offers as more available with trading noted at lower trending prices, while others find only limited availability and remain confident in the market. Tom neck supplies were mixed, mostly adequate to ample for the light demand. Mechanically separated turkey market firm for the good demand. Trading centered on a heavy volume of tom drums for export, balance light from current production. Export demand fair to good, best on thigh meat. Fresh scapula traded at 86, Grade A 8-10 lb. breasts 94 and plant grades traded at 92 cents delivered. Some -6 months age frozen thigh meat traded at 44 cents shipping point for export.

FRIDAY, MAY 31, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	24.75-27.00		25.44	712	25.41	1,328
WINGS FULL-CUT - TOMS	24.00		24.00	54	24.00	54
WINGS, V-TYPE, TOM	29.75		29.75	52	29.15	260
TAILS		R	23.00	52	22.00	104
MECHANICALLY SEPARATED 2/	14.00		14.00	8	15.47	68
THIGH MEAT - FROZEN	46.50-53.00		49.36	384	49.44	1,424

THURSDAY, MAY 30, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	23.00-26.00		24.73	392
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	29.00	208
TAILS	23.00		23.00	52
MECHANICALLY SEPARATED 2/	15.00-16.00		15.67	60
THIGH MEAT - FROZEN	45.00-56.00		49.00	880

WEDNESDAY, MAY 29, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	25.00-28.00		26.48	224
WINGS FULL-CUT - TOMS		W	23.50	40
WINGS, V-TYPE, TOM	29.00		29.00	208
TAILS		T	21.00	52
MECHANICALLY SEPARATED 2/		F	15.13	160
THIGH MEAT - FROZEN	52.00		52.00	160

TUESDAY, MAY 28, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	26.60	200
WINGS FULL-CUT - TOMS		W	23.50	40
WINGS, V-TYPE, TOM		F	29.36	364
TAILS	21.00		21.00	52
MECHANICALLY SEPARATED 2/		F	15.13	160
THIGH MEAT - FROZEN		F	48.94	1,532

*****NOTICE*****
MONDAY, MAY 27, 2002
MEMORIAL DAY HOLIDAY
NO REPORT ISSUED

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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